

September 13, 2002

Attorney Allen A. Arntsen, Esq.  
Foley & Lardner  
150 East Gilman Street  
Madison, WI 53701-1481

Re: Neil Gaiman and Marvels and Miracles v. Todd McFarlane, Todd McFarlane Productions Inc., et al.

United States District Court for the Western District of Wisconsin  
Case No. 02-C-0048 S

Dear Attorney Arntsen

You have requested we read and analyze certain documents on behalf of our mutual client Neil Gaiman, relating to his financial disputes with the above named defendants.

**Background and Key Factors of the Case**

It is my understanding that in 1992, Todd McFarlane, Todd McFarlane Productions Inc., et al ("McFarlane" or "Defendants"), reached an oral agreement with Neil Gaiman ("Gaiman" or "Plaintiff"), as to Gaiman's contribution to the *Spawn®* comic book series. At the time of the agreement, Gaiman had established his reputation as one of the world's foremost comic book authors, and had received several awards for his work. It is Gaiman's assertion that McFarlane made oral representations as to the financial compensation to be paid to Gaiman concerning his work on *Spawn®* issue 9. Gaiman completed such work on the *Spawn®* 9 project relying on McFarlane's representations. In connection with writing *Spawn®* 9, Gaiman asserts he created two new original characters, *Angela™* and *Cogliostro™*. Additionally, Gaiman asserts he created a derivative character named *Medieval Spawn™* in connection with this work. *Angela™*, *Cogliostro™*, and *Medieval Spawn™* will be referenced collectively as "the Characters" for the remainder of this report.

*Spawn®* 9 was released in or around March 1993 and sold more than nine hundred thousand (900,000) copies. Following the completion of the *Spawn®* 9 project, McFarlane and Gaiman agreed that Gaiman write a short series of comics featuring the *Angela™* character. The series consisted of issues 1, 2 and 3, and subsequently was compiled and published in a graphic novel book or trade paperback ("TPB") format entitled *Angela* and *Angela's Hunt*. Additionally, Gaiman authored a

partial script for a *Spawn*® issue, which the defendants later published in *Spawn*® issue 26.

Between the years 1992-1996, Gaiman received \$194,982.92 in payment for his contributions to the *Spawn*® and *Angela*™ comic books and related products. Through December 1996, Gaiman continued to rely on McFarlane's representations as to the compensation structure for his contributions. In addition to comic books, the defendants developed other sources of revenue for the characters of Medieval *Spawn*™, *Angela*™, and *Cogliostro*™, including the New Line Cinema motion picture *SPAWN*, an HBO animated series, action figure toys, posters and other sundry items.

On or about December 17, 1996 and February 18, 1997, Gaiman received memos from Larry Marder, on behalf of the defendants, setting forth proposed compensation terms for Gaiman's work on the *Spawn*® and *Angela*™ comics and for the characters Gaiman created. As the proposed terms were not in accordance with Gaiman's understanding of the oral agreements, Gaiman rejected the offers.

We were provided documents that set forth the following exchange or dialog between the parties as follows:

- In or around April 1997, Gaiman and McFarlane met to discuss the terms of compensation due the plaintiff.
- On May 5, 1997 additional correspondence between the parties detailed the applicable compensation percentages due Gaiman.
- On July 15, 1997, Gaiman and McFarlane discussed the same matter by telephone. Gaiman sent, via fax, written confirmation of the discussion, and his understanding of the agreement reached during that discussion.
- On that same day of July 15, 1997, McFarlane faxed back his assent with request for clarification on certain points.
- Gaiman responded by fax to clarify the points raised by McFarlane on the same day, July 15, 1997.

The agreement reached as of July 15, 1997 provided, in part:

- That Gaiman would have the right to do additional literary projects ("one offs") with the characters *Angela*™ and Medieval *Spawn*™. The industry term of "one off" means a short series of comic books followed by a trade paperback(s) containing the same works, and may involve other characters from different publishers.
- Additionally, Gaiman's rights to *Cogliostro*™ and Medieval *Spawn*™ would be exchanged for McFarlane's rights to *Miracleman*™, and that such exchange would be effective as of the date of accounting for amounts due under the agreement.
- July 31, 1997 was agreed to be the date of accounting and exchange or if necessary when the final accounting was completed.
- According to documents that I reviewed, the defendants started to produce some of the accounting information by August 4, 1997. It is the plaintiff's position that the final accounting is still not complete.

During the accounting process in 1997, Gaiman received a payment of \$22,407.04, which included \$5,000 unrelated to the unpaid royalties. Currently, royalty payments received by Gaiman concerning his contributions to the Spawn® and Angela™ comic books and related products totals \$212,389.96.

### **Assignment**

We have been asked to review financial documentation of total sales, units, royalty revenue, etc., generated by Todd McFarlane Productions, Inc. or the related entities to determine the economic sums due Gaiman under the terms of the agreement. The scope of our services was restricted to the use of the Angela™, Medieval Spawn™ and Cogliostro™ characters, as well as the comic books of the Spawn® series. We have received substantial information from Defendants, however some areas are incomplete or inconsistent with other produced documents. We have requested additional information from the Defendants which may be produced during upcoming depositions (after the date of this report), or may otherwise be available prior to trial. Therefore, we reserve the right to revise and update our report based on any additional information received prior to trial.

### **Work Performed**

- We reviewed various financial and legal documents that were provided to us by the plaintiff and defendants, and their respective counsel.
- Attended the deposition of Julaine Claybaugh of Todd McFarlane Productions concerning the past royalty payments and financial records for the Company.
- We spoke to the plaintiff Neil Gaiman and his counsel on various matters.
- We reviewed the expert report of Denis Kitchen and spoke with him related to his conclusions and opinions.
- We prepared schedules to summarize our findings and conclusions contained in Table I and the related attachments thereafter that correspond to the information we have received as of the date of this report related to the compensation due Neil Gaiman pursuant to his agreement with the Defendants.

### **Analysis and Conclusions**

McFarlane, through his controlled entities and through license agreements received various royalties and profits from the use of the "Characters" created by Gaiman, in the form of toy, comic books or other media sales. Defendants received profits from the domestic sale of comics and trade paperbacks that included characters created by Gaiman. McFarlane was paid royalties from various foreign organizations for the sale of comics and trade paperbacks that included characters created by Gaiman. McFarlane was also compensated for the use in a live action movie, and a series of animated movies, of characters created by Gaiman.

### **Toys**

We have assumed the primary framework for royalty payments due to Gaiman is presented in Gaiman's letter of May 5, 1997 addressed to Todd McFarlane

(TM00355). This document indicates that the royalty due to Gaiman is to be "15% of publisher's net receipts", however none of the terms were contractually defined. Gaiman asserts that the intention of the parties was to compensate Gaiman on terms similar to, or better than, those in contracts Gaiman had consummated with DC Comics. The DC Comics contract we reviewed stipulated a fee of "fifteen percent (15%) of Publisher's Net Receipts" (G00771) for products based on the characters.

In our review of certain financial documents or schedules produced by the Defendants, royalties paid to Todd McFarlane Productions from TMP International, Inc. were paid at a rate of 5% of certain net revenues (TM00489). The calculation of royalties due Todd McFarlane Productions from TMP International, Inc. did not appear to be in compliance with the Royalty Agreement provided by McFarlane (TM01237-01248) which stipulates a royalty rate of "five (5%) percent of one hundred (100%) percent of all Gross Sales by Licensee". In other royalty agreements with unrelated third parties, Todd McFarlane Productions was paid a higher royalty percentage. For example, in the CAPCOM contract TMP was paid a royalty equal to 9% of sales (TM01257), and other royalty statements (TM01281-1285) show an 11% rate paid by 989 Studios (Sony). As Todd McFarlane is able to control the rate at which TMP International, Inc. pays royalties to Todd McFarlane Productions, he is able to control the royalties paid to individuals providing creative services including Neil Gaiman. McFarlane is able to control the royalties by virtue of his ownership control of both entities. As it appears that Todd McFarlane Productions is paid a higher royalty rate from unrelated entities, we have chosen to apply such higher royalty rates in our analysis. Additionally, we have based those royalties on Gross Sales as stipulated in the Royalty Agreement between Todd McFarlane Productions and TMP International, Inc.

In our analysis, we have chosen to determine a range of royalties due to Neil Gaiman dependent on the royalty calculation method chosen, as well as the rate at which Todd McFarlane Productions is paid its royalty. Based on the discussion above, it can be determined that royalties due to Gaiman could be calculated in one of two methods. The first method is to assume that Todd McFarlane Productions is due a royalty of 5% of gross revenues from TMP International, Inc. and that Gaiman's royalty would be based on 15% of the royalty paid Todd McFarlane Productions. The second method is to assume that the appropriate rate at which Todd McFarlane Productions should be paid is 10% of gross revenues, with Gaiman's royalty based on 15% of the revised royalty due Todd McFarlane Productions.

The following summarizes our conclusions on the range of fees owed to Gaiman in connection with the sale of toys and products based on characters created by Gaiman.

#### **Angela™ figures (Schedule A-1)**

According to documents provided by McFarlane (TM00489), gross revenues from certain Angela™ figures totaled \$2,642,194.78 through July 1997. Other documentation provided (summarized at Schedule A-15) reports another \$45,017.73 of sales following July 1997. Royalties

due Gaiman range from \$20,154.09 to \$40,308.19 depending on the method applied as described above.

**Medieval Spawn™ figures (Schedule A-2)**

According to documents provided by McFarlane (TM00489), gross revenues from Medieval Spawn™ figures totaled \$2,769,129.99 through July 1997. Royalties due Gaiman through July 1997 range from \$10,384.24 to \$20,768.47 depending on the method applied as described above.

**Red Angela™ figure (Schedule A-3)**

According to documents provided by McFarlane (TM00524), publisher's royalty from the Red Angela™ figure totaled \$6,330.10 through July 1997. Royalties due Gaiman through July 1997 range from \$949.52 to \$1,899.04 depending on the method applied as described above. Gaiman has retained the rights to Angela™ and additional royalties for sales after July 1997 may be due.

**Cogliostro™ figure (Schedule A-4)**

According to documents provided by McFarlane no revenues were generated by this figure prior to the August 4, 1997 exchange date. As such, no royalties are due Gaiman with respect to this figure.

**Spawn®-Angela™ poster #1 (Schedule A-5)**

According to documents provided by McFarlane (Exhibit #134 of 30(b)(6) deposition), McFarlane received royalties of \$3,808.19 in connection with this poster. Royalties due Gaiman through July 1997 were \$285.61. Gaiman has retained the rights to Angela™ and additional royalties for sales after July 1997 may be due.

**Angela™ poster (Schedule A-6)**

According to documents provided by McFarlane (Exhibit #134), McFarlane received royalties of \$15,455.16 in connection with this poster. Royalties due Gaiman were \$2,318.27. Gaiman has retained the rights to Angela™ and additional royalties may be due.

**Prey for the Hunter poster (Schedule A-7)**

According to documents provided by McFarlane (Exhibit #134), McFarlane received royalties of \$2,106.93 in connection with this poster. Royalties due Gaiman were \$316.04. Gaiman has retained the rights to Angela™ and additional royalties may be due.

**Angela™ poster #2 (Schedule A-8)**

According to documents provided by McFarlane (TM01677), McFarlane received royalties of \$13,374.33 in connection with this poster. Royalties due Gaiman through June 2000 were \$2,006.15. Gaiman has retained the rights to Angela™ and additional royalties for sales after June 2000 may be due.

**Angela™ trading cards (Schedule A-9)**

According to documents provided by McFarlane (TM00521), publisher's royalty from the Spawn® Trading Card Set (Wildstorm Set #1), which included images of Angela™, totaled \$323,341.72 through July 1997. Royalties due Gaiman through July 1997 were \$7,760.20. Gaiman has retained the rights to Angela™ and additional royalties for sales after July 1997 may be due.

**Trading cards – Chromium Set (Schedule A-10)**

According to documents provided by McFarlane (TM00522), publisher's royalty from the Spawn® Trading Card Set (Chromium Card Set), which included images of Angela™, totaled \$61,818.69 through July 1997. Royalties due Gaiman through July 1997 were \$556.37. Gaiman has retained the rights to Angela™ and additional royalties for sales after July 1997 may be due.

**Trading cards – Topps (Schedule A-11)**

According to documents provided by McFarlane (TM00523), publisher's royalty (advances) from the Topps Trading Card Set (Topps' Image Universe Card Set), which included images of Angela™, totaled \$15,000.00 through July 1997. Royalties due Gaiman through July 1997 were \$247.50. Gaiman has retained the rights to Angela™ and additional royalties for sales after July 1997 may be due.

**Angela™ POG set (Schedule A-12)**

According to documents provided by McFarlane (TM00529), a total of \$100,000 (Canadian dollars) was advanced to Todd McFarlane Productions in connection with the licensing of Spawn® related character images for this product. Because of the lack of documentation regarding royalties on this product, we were not able to determine if royalties in excess of the \$100,000 were paid. For purposes of this analysis we have assumed that royalties under the two scenarios noted above are the same. Royalties due Gaiman through July 1997 were US\$1,630.67. Gaiman has retained the rights to Angela™ and additional royalties for sales after July 1997 may be due.

**Medieval Spawn™ POG set (Schedule A-13)**

According to documents provided by McFarlane (TM00530), a total of \$100,000 (Canadian dollars) was advanced to Todd McFarlane Productions in connection with the licensing of Spawn® related character images for this product. Because of the lack of documentation regarding royalties on this product, we were not able to determine if royalties in excess of the \$100,000 were paid. For purposes of this analysis we have assumed that royalties under the two scenarios noted above are the same. Royalties due Gaiman through July 1997 were US\$76.10.

**Spawn® trade paperback #2 (Schedule B-7)**

According to documents provided by McFarlane (Exhibit #134) 51,064 copies of the Spawn® trade paperback #2 were sold with a cover price of \$9.95 per copy. Total royalties due Gaiman as writer for one of the five comic book issues included in the trade paperback are \$4,064.69.

**Spawn® trade paperback #6 (Schedule B-8)**

According to documents provided by McFarlane (Exhibit #134) 13,830 copies of the Spawn® trade paperback #6 were sold with a cover price of \$9.95 per copy. Total royalties due Gaiman as writer of 3 of 24 pages of one of the five comic book issues included in the trade paperback are \$137.61.

**Curse of the Spawn® #9 (Schedule B-9)**

According to documents provided by McFarlane (Exhibit #134) 253,007 copies of Curse of the Spawn® #9 were sold with a cover price of \$1.95 per copy. Total royalties due Gaiman as creator of Angela™, who appears in the issue, are \$3,361.91.

**Curse of the Spawn® #10 (Schedule B-10)**

According to documents provided by McFarlane (Exhibit #134) 234,283 copies of Curse of the Spawn® #10 were sold with a cover price of \$1.95 per copy. Total royalties due Gaiman as creator of Angela™, who appears in the issue, are \$3,069.81.

**Curse of the Spawn® #11 (Schedule B-11)**

According to documents provided by McFarlane (Exhibit #134) 140,560 copies of Curse of the Spawn® #11 were sold with a cover price of \$1.95 per copy. Total royalties due Gaiman as creator of Angela™, who appears in the issue, are \$1,607.74.

**Other Appearances of Angela™ (Schedule B-12)**

Angela™ has appeared in various issues of Spawn®. The May 5, 1997 letter from Gaiman to McFarlane provides Gaiman with royalties for "extensive use" of the Characters in other publications. For purposes of this analysis, we have defined "extensive use" to be an appearance by the Characters on more than five (5) pages of the publication. Total royalties due Gaiman as creator of Angela™ for extensive use in various issues of Spawn® are \$10,520.08.

**Other Appearances of Cogliostro™ (Schedule B-13)**

Cogliostro™ has appeared in various issues of Spawn®. Total royalties due Gaiman as creator of Cogliostro™ for extensive use in various issues in Spawn® are \$7,278.35.

**Other Appearances of Medieval Spawn™ (Schedule B-14)**

Medieval Spawn™ has appeared in various issues of Spawn®. Total royalties due Gaiman as creator of the derivative character of Medieval Spawn™ for extensive use in Spawn® are \$14,447.68.

**Foreign Printing – Spawn® #9 (Schedule B-15)**

According to documents provided by McFarlane Spawn® #9 was included in certain foreign trade paperbacks. Total royalties due Gaiman as writer of Spawn #9 for these foreign printings are \$26,965.05.

**Foreign Printing – Angela™ (Schedule B-16)**

According to documents provided by McFarlane, Angela™ #1, #2 and #3 were included in certain foreign trade paperbacks. Total royalties due Gaiman as writer of these issues for these foreign printings are \$33,967.60.

**Angela™ One Off (Schedule B-17)**

According to the report prepared by Denis Kitchen, the four issues in an Angela™ one off would have realized average unit sales of 103,000 copies per issues. Additionally, the Kitchen report indicates that the terms that Gaiman would likely have been granted would have been more favorable than those agreed to with McFarlane. The total amount due Gaiman as creator and writer are at least \$37,080.00.

**Angela™ One Off Trade Paperback (Schedule B-18)**

According to the report prepared by Denis Kitchen, the trade paperback of the Angela™ one off series would have realized sales of 18,025 copies. Mr. Kitchen believes the cover price would have been at least \$10.95 per copy. The total amount due Gaiman as creator and writer are at least \$9,868.69.

**Medieval Spawn™ One Off (Schedule B-19)**

According to the report prepared by Denis Kitchen, the four issues in a Medieval Spawn™ one off would have realized average unit sales of 83,000 copies per issues. Additionally, the Kitchen report indicates that the royalty terms that Gaiman would likely have been granted would have been more favorable than those agreed to with McFarlane. The total amount due Gaiman as creator and writer are at least \$29,880.00.

**Medieval Spawn™ One Off Trade Paperback (Schedule B-20)**

According to the report prepared by Denis Kitchen, the trade paperback of the Medieval Spawn™ one off series would have realized sales of 14,525 copies. Mr. Kitchen believes the cover price would have been at least \$10.95 per copy. The total amount due Gaiman as creator and writer are at least \$7,952.44.

It is our understanding that Gaiman may have been able to negotiate a sharing of profits with other publishing firms for the one off comic books and trade paperbacks noted in the previous four paragraphs. We are still investigating this sharing of profits concept. We will document our determination in a supplemental report before being deposed.

**Other Media**

Based on our review of documents, and assertion by Gaiman, the primary basis for royalty payments to Gaiman is presented in Gaiman's letter dated May 5, 1997 addressed to Todd (McFarlane) (TM00355). This document indicates that the royalty to Gaiman "15% of publisher's net receipts" and "activates if the character has a speaking part", and is prorated according to the number of characters with speaking parts.

**Angela™ & Cogliostro™ HBO Series (Schedule C-1)**

According to documents provided by McFarlane (TM00525) HBO paid a \$10,000 fee for use of the Spawn® trademark and characters for an animated series. Angela™ and Cogliostro™ appeared in one and two of the six episodes, respectively. Royalties due Gaiman total \$75.00 in connection with this fee.

**HBO Spawn® video #1 (Schedule C-2)**

According to documents provided by McFarlane (TM01542) HBO paid McFarlane a total of \$347,846 of royalties through December 31, 1999 in connection with the sale of video #1 of the animated series. Royalties due Gaiman total \$5,217.69 in connection with these sales.

**New Line Cinema Spawn® (Schedule C-3)**

According to documents provided by McFarlane (TM01671) New Line Cinema paid McFarlane \$200,000 of bonus royalties in August 1997, which was due when box office receipts reached \$35,000,000. Other bonus levels were achieved by the movie, and a total of \$950,000 of bonus royalties were received by McFarlane in August and September of 1997. Gaiman's claim is based on only the first \$200,000 of bonus paid, and box office receipts prior to the exchange date. Variety® reported that box office receipts in the first week of release were \$21,500,000. Royalties due Gaiman total \$2,303.57 in connection with this release.

**Use of Name**

Gaiman's biography and name were used in connection with the publication of Angela's Hunt. Gaiman is entitled to compensation for the use of his name. Based on a similar use of Gaiman's name, as documented at G05356-05361, a fee of \$45,000.00 is due.

**Summary**

Based on our analysis as discussed above, it is our opinion that Neil Gaiman earned, or would have earned in the case of the Angela™ and Medieval Spawn™ one offs, compensation ranging from \$481,645.29 to \$513,133.14. McFarlane has paid Gaiman a total of \$212,389.96 as shown on the attached Table III, leaving Gaiman damaged by an amount ranging from \$269,255.33 to \$300,743.18.

**Qualifications**

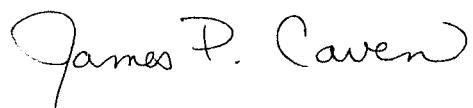
I am a partner with Virchow, Krause & Company, LLP, a regional accounting firm headquartered in Madison, Wisconsin. Currently, my primary client service

responsibilities are in litigation, dispute resolution and business valuation. I have enclosed my Curriculum Vitae which includes my current employment, professional affiliations, speaking engagements, and articles written.

In addition to my Curriculum Vitae, I have included a list of all commercial litigation cases of testimony and deposition since 1994. I have not listed the court/deposition testimony for the numerous family law matters in state court.

Sincerely,

VIRCHOW, KRAUSE & COMPANY, LLP

A handwritten signature in black ink that reads "James P. Caven". The signature is fluid and cursive, with "James" and "P." on the first line and "Caven" on the second line.

James P. Caven, CPA, ABV, Partner

**Attachment Table I**

**NEIL GAIMAN and MARVELS AND MIRACLES, LLC**  
**v.**  
**TODD McFARLANE, et al**

**Range of Compensation Earned and Balance Due**

	Minimum Gaiman Compensation	Maximum Gaiman Compensation
Compensation earned on:		
Toys	\$ 46,684.76	\$ 78,172.61
Comics	382,364.27	382,364.27
Media	7,596.26	7,596.26
Use of name	<u>45,000.00</u>	<u>45,000.00</u>
Total compensation earned by Gaiman	481,645.29	513,133.14
Total compensation payments by McFarlane	212,389.96	212,389.96
Balance due Gaiman	<u>\$ 269,255.33</u>	<u>\$ 300,743.18</u>

**Attachment Table II**

**NEIL GAIMAN and MARVELS AND MIRACLES, LLC**  
**v.**  
**TODD McFARLANE, et al**

**Summary of Payments Received**

**From Todd McFarlane, McFarlane Productions, Inc.,  
 TMP International, Inc., and McFarlane Worldwide, Inc.**

	Date	Amount
Per G00781		
	09/09/92	\$ 10,000.00
	06/22/93	80,000.00
	06/29/94	10,000.00
	09/19/94	10,000.00
	10/14/94	10,000.00
	10/27/94	3,300.00
	03/07/95	17,132.68
	03/07/95	9,278.86
	03/31/95	6,987.64
	03/31/95	20,483.74
	02/28/96	7,000.00
	02/28/96	800.00
	08/04/97	9,392.30
	08/11/97	2,740.28
	08/13/97	853.84
	08/26/95	4,420.62
Per G00221		<u>10,000.00</u>
<b>Total Compensation Payments</b>		<b>\$ <u>212,389.96</u></b>

Memo only: Document G00781 also reflects a \$5,000 payment to Gaiman not related to royalties owed.

### Attachment Table III

**NEIL GAIMAN and MARVELS AND MIRACLES, LLC  
v.  
TODD McFARLANE, et al**

**Summary of Payments by Category**

**From Todd McFarlane, McFarlane Productions, Inc.,  
TMP International, Inc., and McFarlane Worldwide, Inc.**

	Document Reference			Total
	TM00526	TM00520	G00781	
<b>Toys (Schedules A-1 through A-13):</b>				
Angela Toys	\$ 11,391.18			\$ 11,391.18
Medieval Spawn Toys	5,969.22			5,969.22
Angela (Pogs)	675.00			675.00
Medieval Spawn (Pogs)	34.14			34.14
Spawn/Angela Poster	450.55			450.55
Angela Poster	3,671.28			3,671.28
Angela Trading Cards		\$ 1,940.05		1,940.05
Angela Trading Cards		139.09		139.09
Angela Trading Cards		61.88		61.88
Angela Toys - Red Angela		474.76		474.76
<b>Total toy related payments</b>	<b>\$ 22,191.37</b>	<b>\$ 2,615.78</b>	<b>\$ -</b>	<b>\$ 24,807.15</b>
<b>Comics (Schedules B-1 through B-20):</b>				
Angela trade paperback	\$ 10,254.86			\$ 10,254.86
Spawn trade paperback	1,750.24			1,750.24
Curse of the Spawn #9	1,568.72			1,568.72
Curse of the Spawn #10	988.42			988.42
Curse of the Spawn #11	922.43			922.43
Script fee - Spawn #9		\$ 10,000.00		10,000.00
Other - Spawn #9		10,000.00		10,000.00
Royalty - Spawn #9		80,000.00		80,000.00
Script fee - Angela #1		10,000.00		10,000.00
Script fee - Angela #2		10,000.00		10,000.00
Script fee - Angela #3		10,000.00		10,000.00
Script fee - additional Spawn pages		3,300.00		3,300.00
Royalty - Angela #1		17,132.68		17,132.68
Royalty - Angela #2		9,278.86		9,278.86
Royalty - Angela #3		6,987.64		6,987.64
Foreign royalties		853.84		853.84
Foreign sales		4,420.62		4,420.62
<b>Total comics related payments</b>	<b>\$ 15,484.67</b>	<b>\$ -</b>	<b>\$ 171,973.64</b>	<b>\$ 187,458.31</b>
<b>Media (Schedule C-1 through C-5):</b>				
Angela (HBO)		124.50		124.50
<b>Total media related payments</b>	<b>\$ -</b>	<b>\$ 124.50</b>	<b>\$ -</b>	<b>\$ 124.50</b>
<b>Total Compensation Payments</b>	<b>\$ 37,676.04</b>	<b>\$ 2,740.28</b>	<b>\$ 171,973.64</b>	<b>\$ 212,389.96</b>

Memo only: Document G00781 also reflects a \$5,000 payment to Gaiman not related to royalties owed.